



Financial Overview January 2015



Agenda

- General Fund Overview
 - Historical Overview
 - Fiscal Year 2015 Summary
 - Five Year Financial Forecast
- All Funds Overview
- Infrastructure Funding
 - Operating Funds
 - Capital Improvement Funds

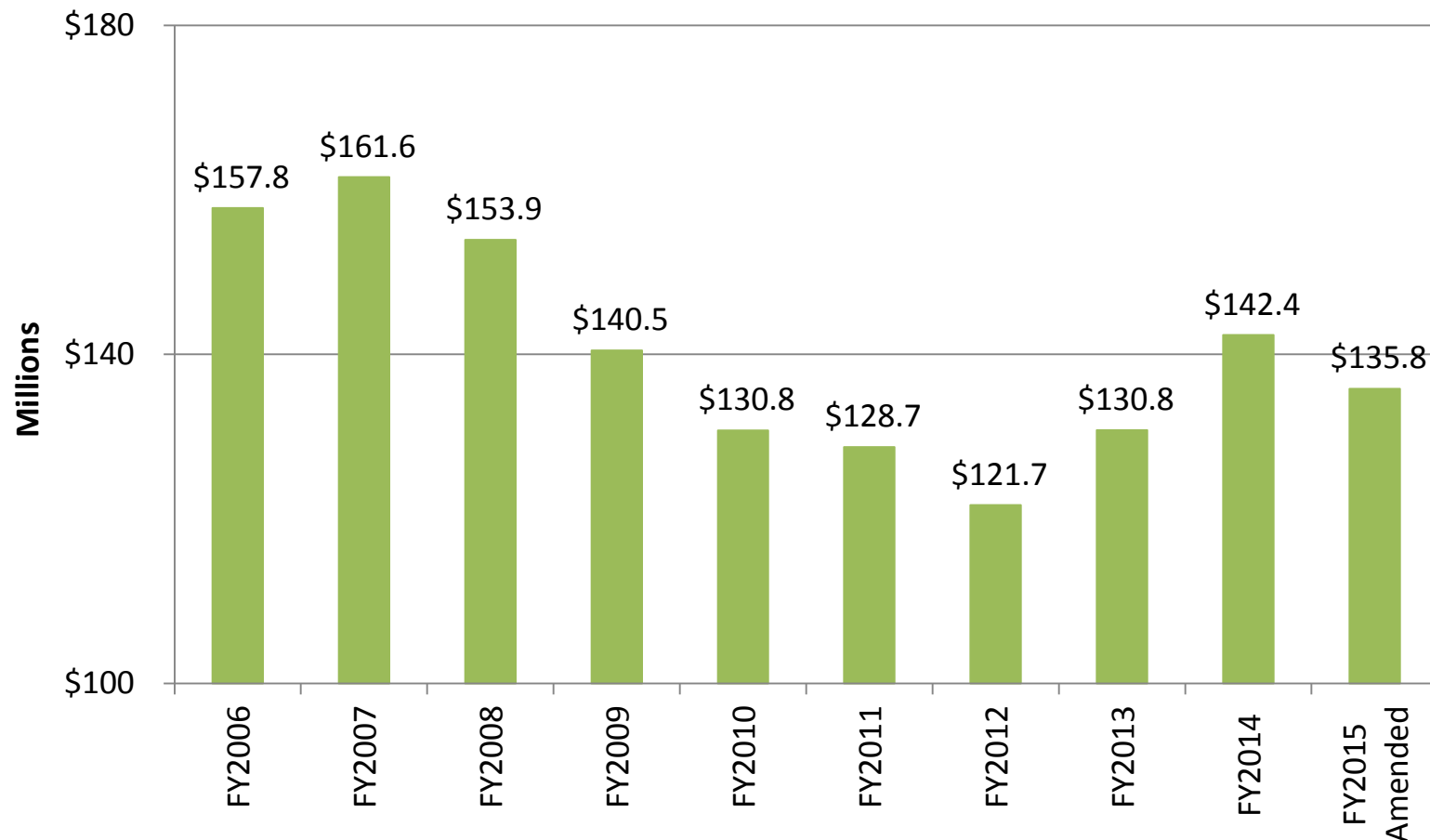


General Fund

Financial Challenges

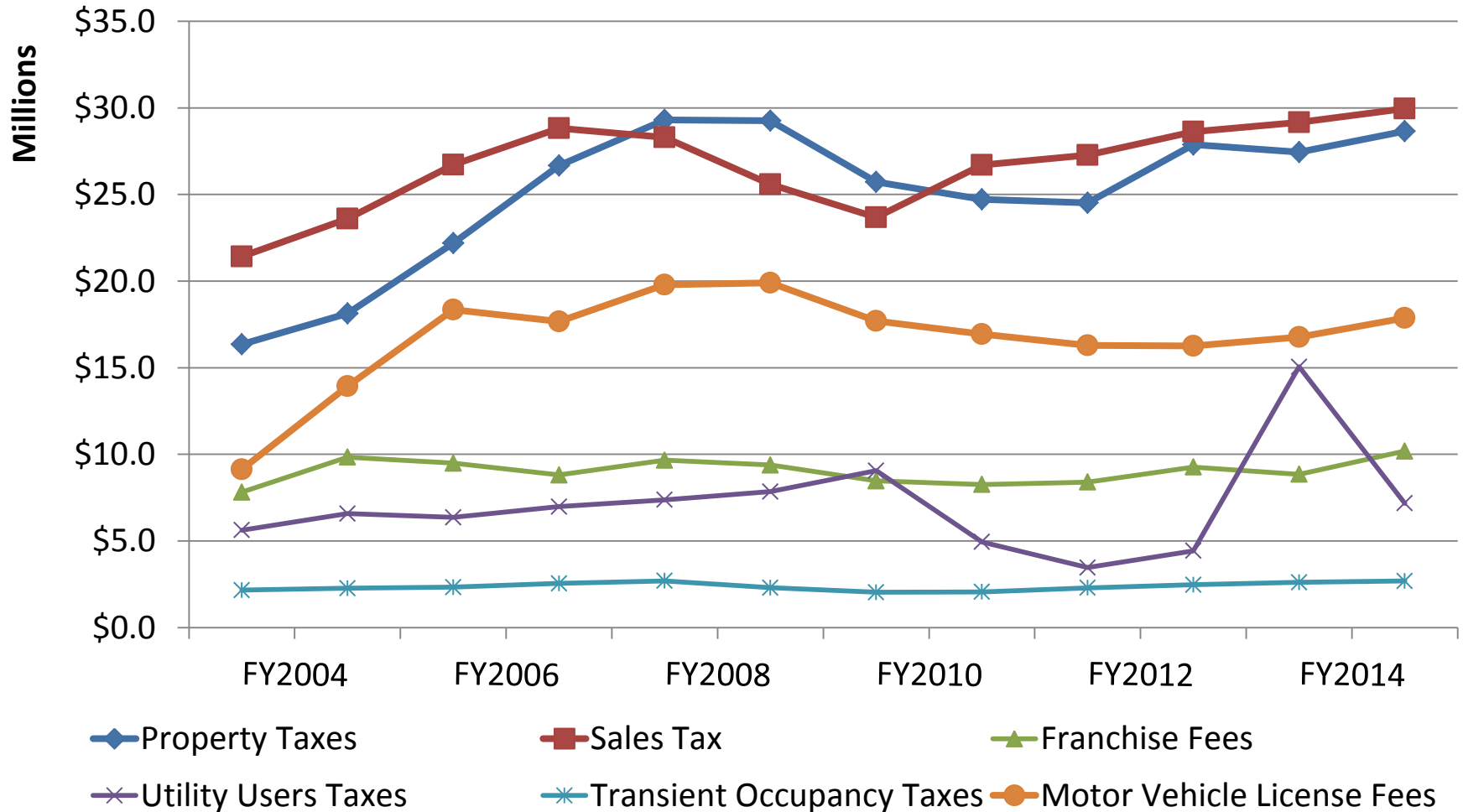
- Economic Recession
- Assessed Valuation/Property Tax Declines
- Sales Tax Declines
- Loss of Development Fees
- Loss of Franchise Fees – Power Plant
- Elimination of the Redevelopment Agency
- Rising Operating Costs

General Fund Revenues

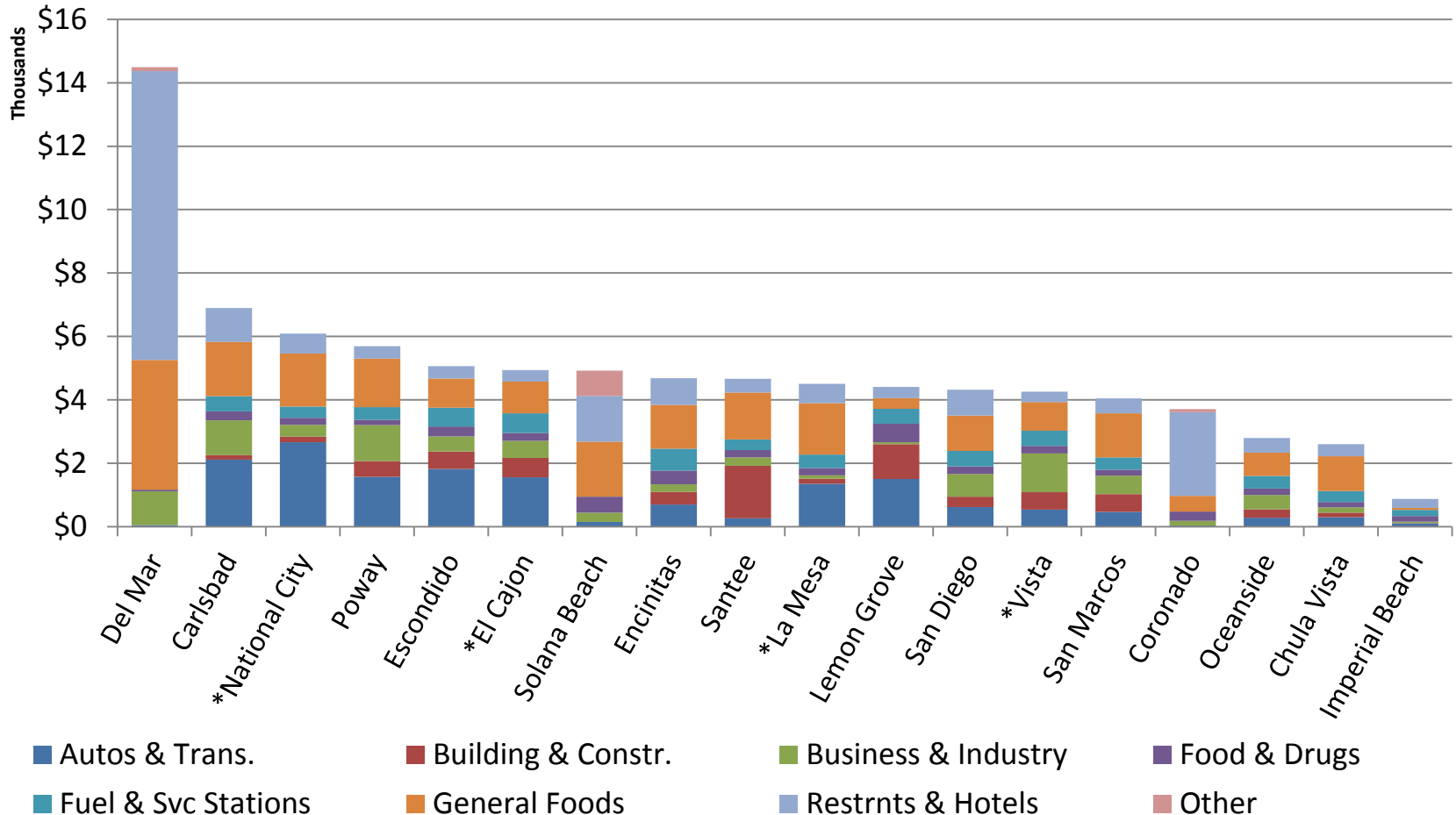


Note: Fiscal year 2014 includes a mid year appropriation of \$8.0 million recognizing prior year TUT revenues ; these funds were transferred to the TUT Common Fund per the settlement agreement.

Major Revenues



Sales Tax Per Capita



* Denotes those cities with a higher sales tax rate due to local sales tax initiatives.

Shop Local

KEEP IT LOCAL!

Fill your tank in Chula Vista.

Boost funding for libraries, recreation, public safety & street repairs.



KEEP IT LOCAL!

Buy your construction materials at a Chula Vista Home Depot location!

Boost funding for libraries, recreation, public safety & street repairs.



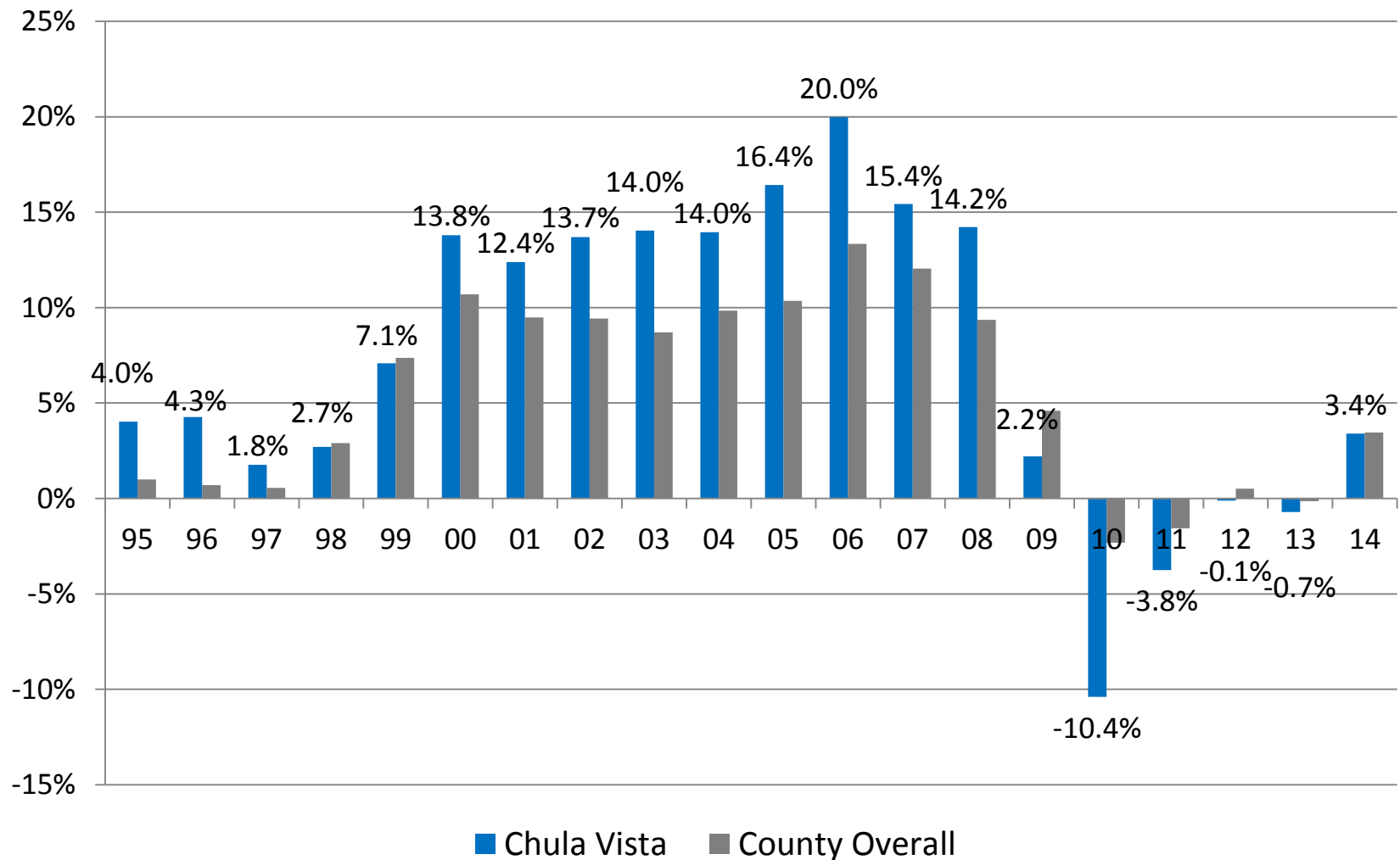
SHOP
CHULA VISTA NOW

CHULA VISTA'S
URBAN ORCHARD

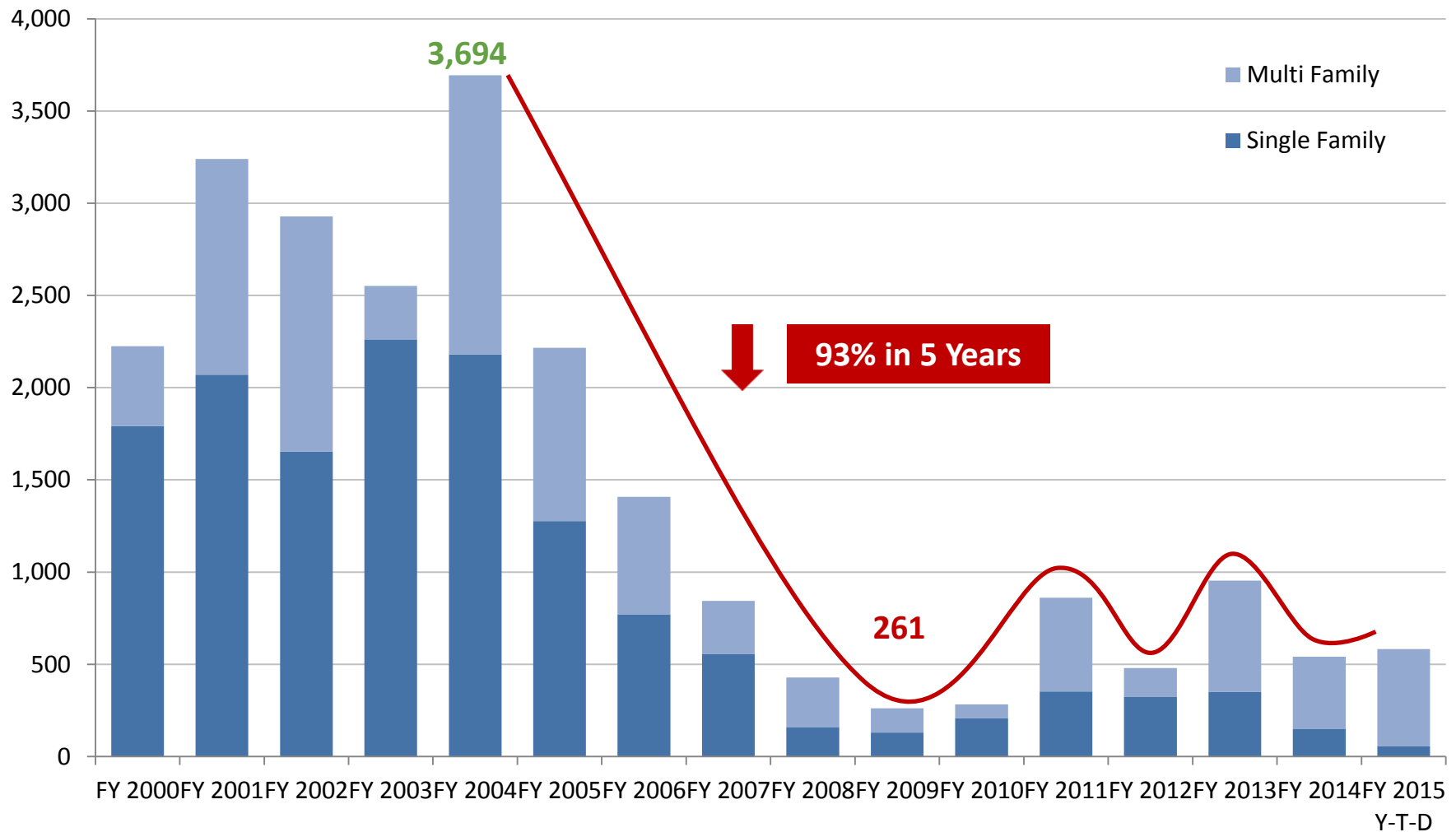
shopchulavistanow.com



Assessed Values

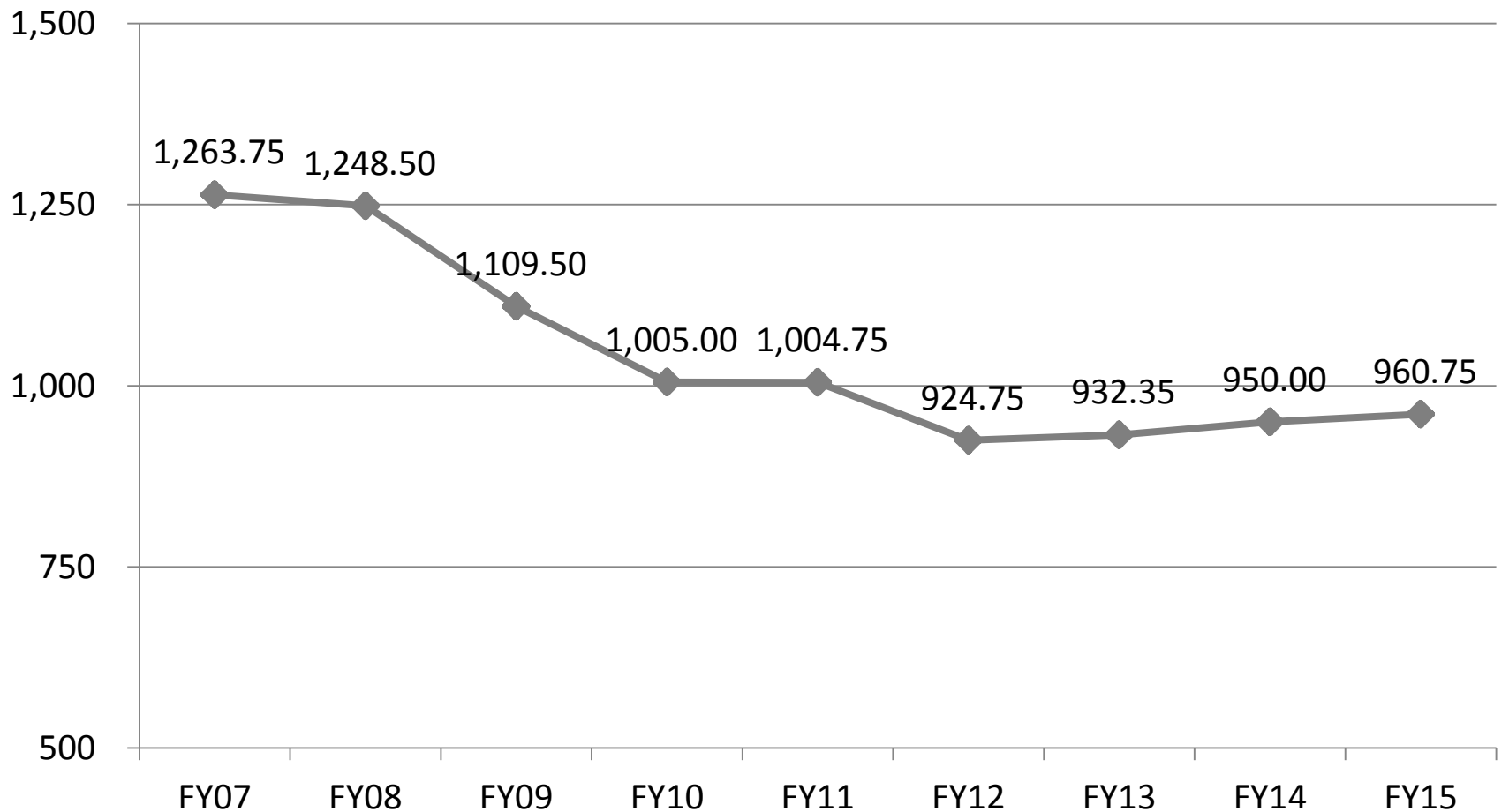


Residential Building Permits Issued



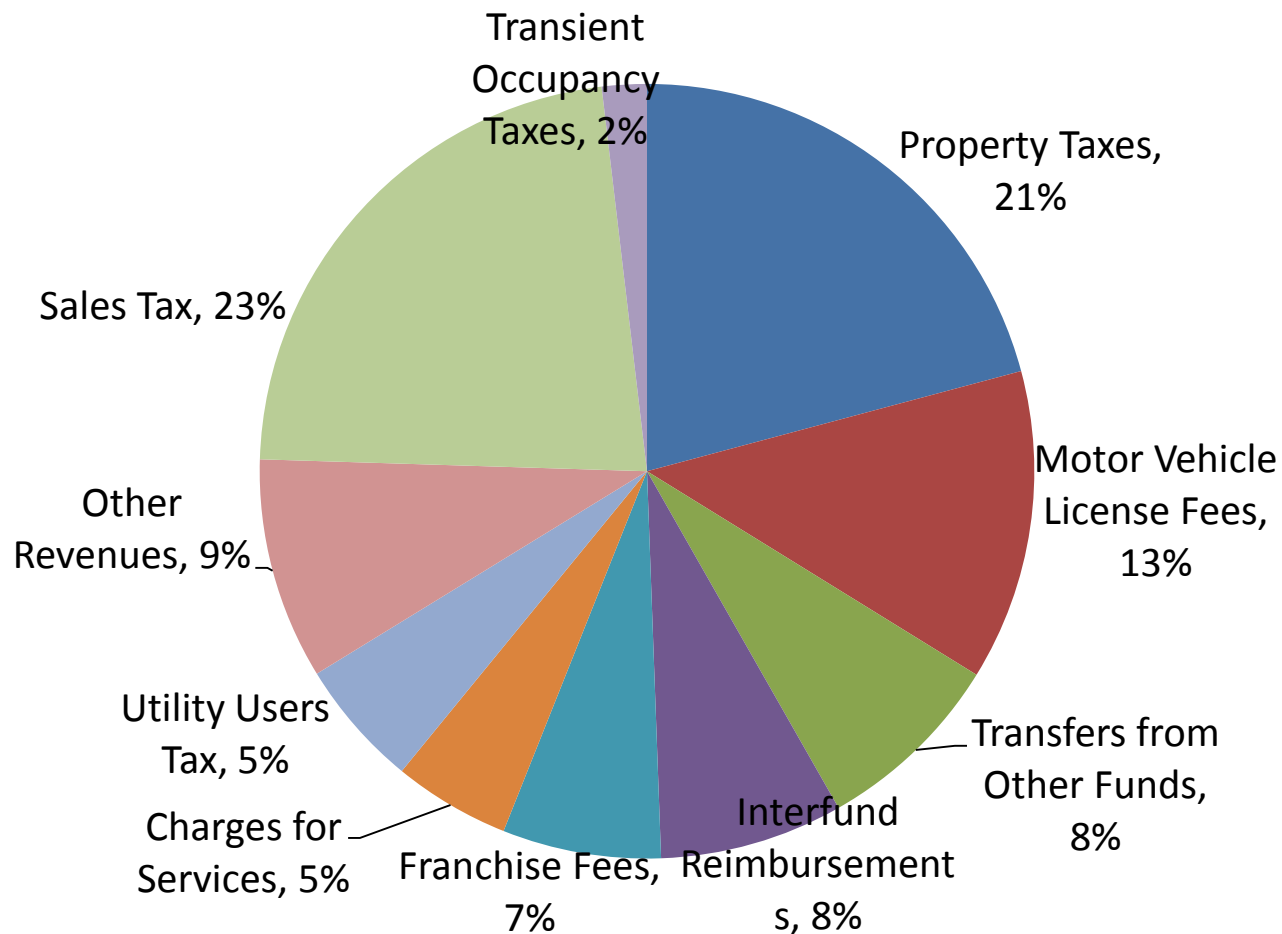
Staffing Reduction History

City Staff – Permanent Positions Only



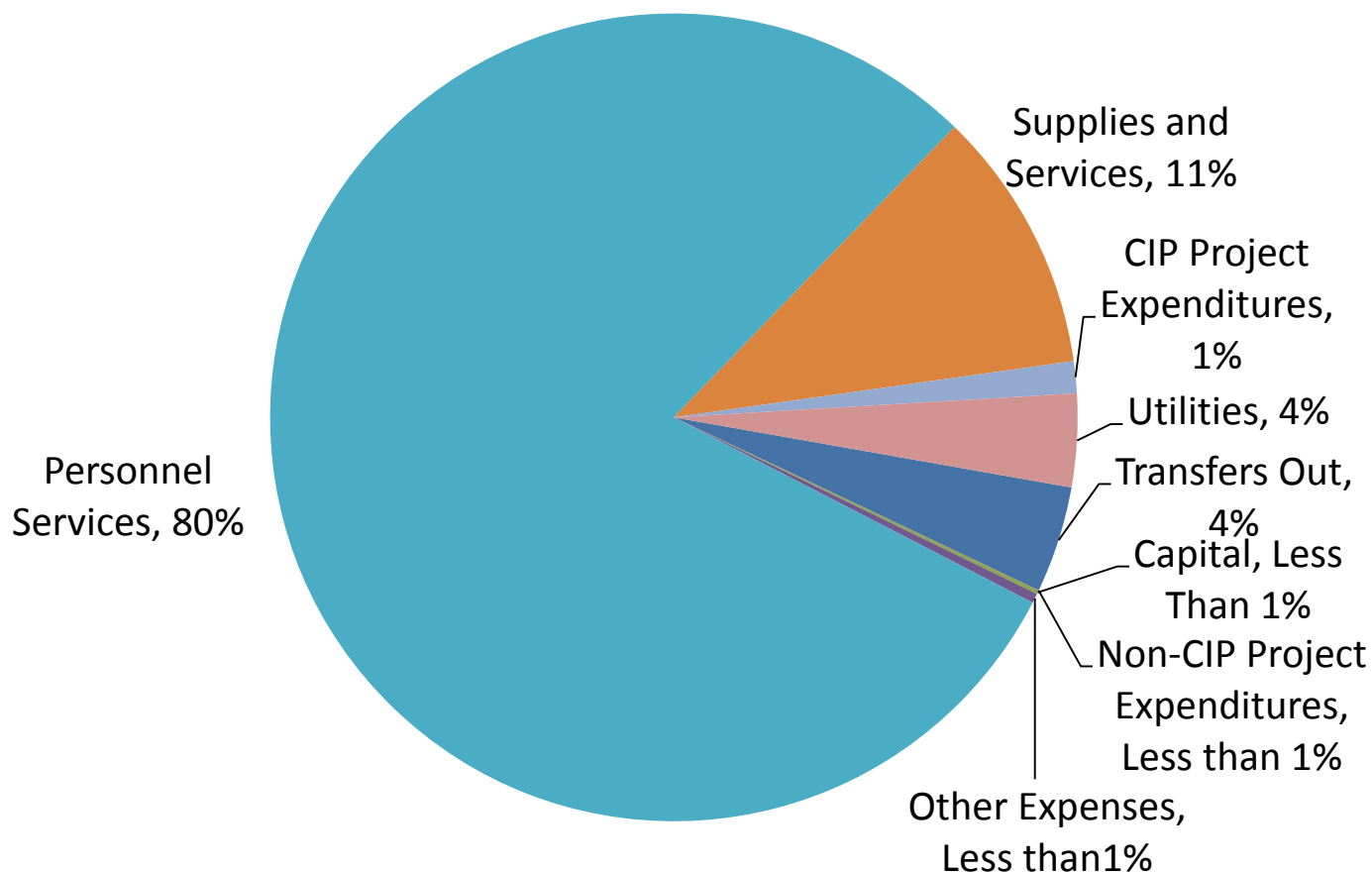
General Fund Adopted Revenues - \$134.5M

FY 2014-15 General Fund Projected Revenue



General Fund Adopted Expenditures - \$134.5M

FY 2014-15 General Fund Projected Expenditures



Five-Year Financial Forecast

Assumes continued economic recovery through forecast period

Description	AB FY 2015	Forecast FY 2016	Forecast FY 2017	Forecast FY 2018	Forecast FY 2019
Revenues:					
Property Taxes	\$ 28,659,698	\$ 29,499,414	\$ 30,638,439	\$ 31,822,205	\$ 33,073,537
Sales Tax	\$ 29,961,561	\$ 30,560,792	\$ 31,477,616	\$ 32,421,944	\$ 33,394,603
Franchise Fees	\$ 10,188,250	\$ 11,234,049	\$ 11,383,047	\$ 11,535,317	\$ 11,690,933
Utility Users Taxes	\$ 7,175,000	\$ 7,246,750	\$ 7,319,218	\$ 7,392,410	\$ 7,466,334
Transient Occupancy Taxes	\$ 2,687,833	\$ 2,768,468	\$ 2,851,522	\$ 2,937,068	\$ 3,025,180
Motor Vehicle License Fees	\$ 17,870,912	\$ 18,405,951	\$ 19,139,967	\$ 19,903,300	\$ 20,697,122
Other Revenues	\$ 40,134,838	\$ 39,454,851	\$ 39,660,300	\$ 39,926,982	\$ 40,377,845
Total Revenues	\$ 136,678,093	\$ 139,170,275	\$ 142,470,108	\$ 145,939,226	\$ 149,725,553

Five-Year Financial Forecast

Description	AB FY 2015	Forecast FY 2016	Forecast FY 2017	Forecast FY 2018	Forecast FY 2019
Expenditures:					
Personnel Services	\$ 77,809,005	\$ 78,611,354	\$ 79,480,908	\$ 79,817,569	\$ 79,817,569
Flex/Insurance	\$ 11,697,465	\$ 12,423,952	\$ 13,336,883	\$ 14,324,646	\$ 15,393,901
PERS	\$ 20,146,964	\$ 21,608,612	\$ 22,996,199	\$ 24,219,312	\$ 25,307,850
Salary Savings	\$ (1,227,392)	\$ (840,946)	\$ (840,946)	\$ (840,946)	\$ (840,946)
Est. Pension Impact Due to Mortality Change	\$ -	\$ -	\$ 1,087,219	\$ 2,174,326	\$ 3,262,036
Workers Compensation GF Liability	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Supplies and Services	\$ 14,444,583	\$ 14,443,836	\$ 14,732,713	\$ 15,027,367	\$ 15,327,915
Utilities	\$ 5,451,848	\$ 5,682,528	\$ 5,966,655	\$ 6,264,988	\$ 6,578,237
Other Expenses	\$ 598,625	\$ 527,457	\$ 538,006	\$ 548,767	\$ 559,742
Equipment (Capital not CIP)	\$ 196,049	\$ 158,500	\$ 158,500	\$ 158,500	\$ 158,500
Transfers/Debt Service	\$ 5,740,002	\$ 6,385,493	\$ 6,387,463	\$ 6,381,139	\$ 6,390,544
Capital Improvement Projects	\$ 1,724,067	\$ -	\$ -	\$ -	\$ -
Non-CIP Project Expenditures	\$ 18,700	\$ -	\$ -	\$ -	\$ -
Absorption of Police Grant Positions	\$ -	\$ 369,600	\$ 386,671	\$ 392,849	\$ 531,243
Orange Park Maintenance	\$ -	\$ 44,460	\$ 44,460	\$ 44,460	\$ 44,460
Total Expenditures	\$ 136,599,916	\$ 139,914,847	\$ 144,774,731	\$ 149,012,976	\$ 153,031,050
Subtotal Surplus/(Deficit)	\$ 78,177	\$ (744,572)	\$ (2,304,623)	\$ (3,073,750)	\$ (3,305,497)

Five-Year Financial Forecast

Other Items to be Considered

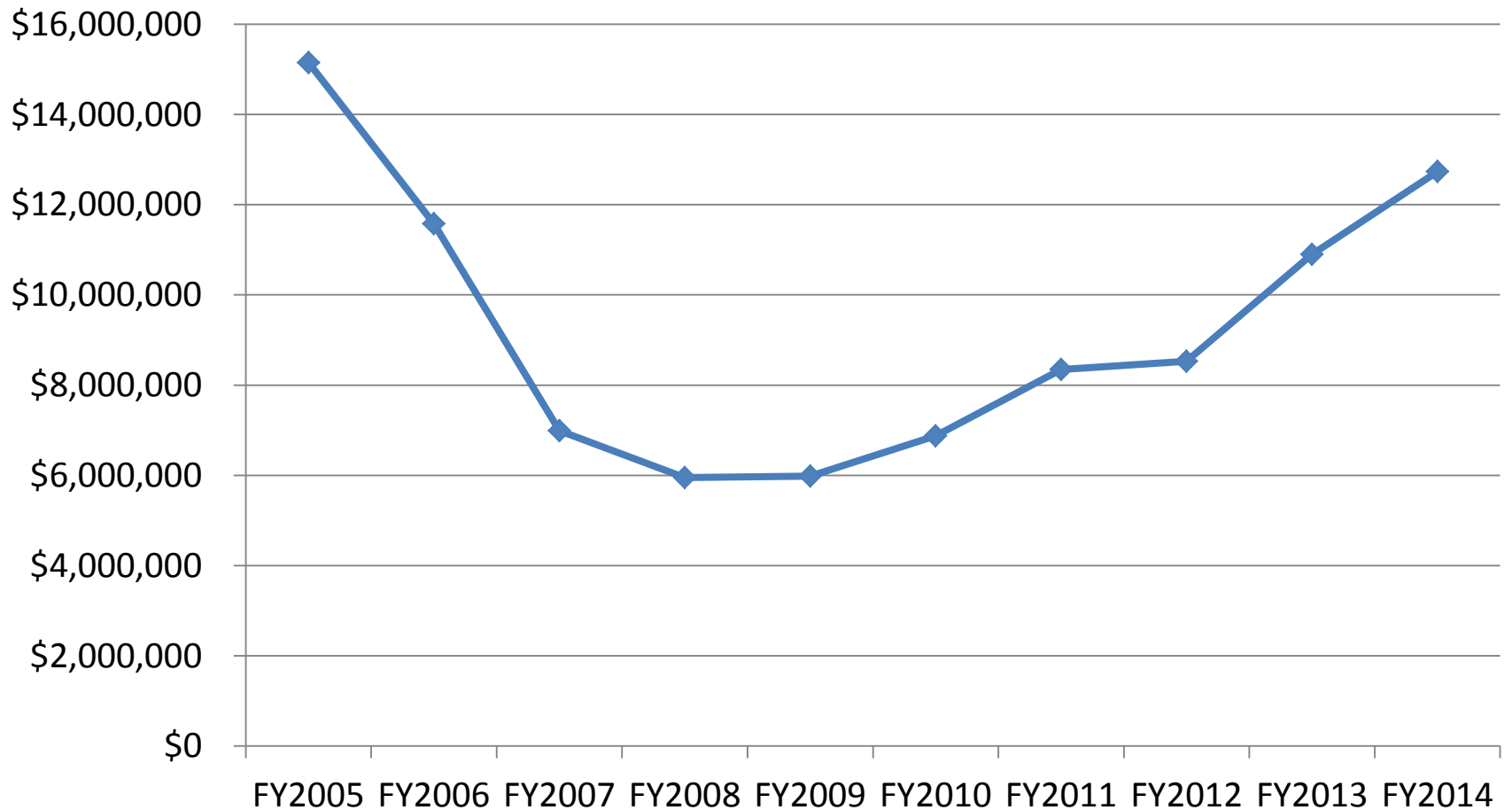
Description	AB FY 2015	Forecast FY 2016	Forecast FY 2017	Forecast FY 2018	Forecast FY 2019
<u>Other Items to Be Considered:</u>					
Regional Communication System (RCS Financing)	\$ -	\$ -	\$ 400,000	\$ 400,000	\$ 400,000
RCS Radios	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -
Breathing Apparatus - Fire Department	\$ -	\$ 600,000	\$ -	\$ -	\$ -
Vehicle Replacement	\$ -	\$ 1,268,500	\$ 1,134,500	\$ 1,069,000	\$ 1,009,000
Building Maintenance	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Telegraph Canyon Road Stabilization Project	\$ 1,700,000				
Total Other Items	\$ 1,700,000	\$ 2,068,500	\$ 3,234,500	\$ 1,669,000	\$ 1,609,000
SURPLUS/(DEFICIT) WITH ADDITIONAL IMPACTS	\$ (1,621,823)	\$ (2,813,072)	\$ (5,539,123)	\$ (4,742,750)	\$ (4,914,497)

Notes:

1. Personnel Services: The estimated cost for Personnel Services reflects current staffing. Salary increases are only assumed for years covered by an MOU. No new staff is assumed during the forecast period.
2. PERS cost reflect the estimated contribution rates as provided by CalPERS in the October 2013 Annual Valuation Report and assumes a 7.5% Return on Investment (ROI).
3. FY2015 reflects a higher than normal salary savings in order to balance. Starting in FY2016 salary savings is based on 1% of Salary/PERS/Medicare.
4. The City is undertaking an asset management program/study to identify Citywide Infrastructure needs and develop a financing plan.

General Fund Reserves

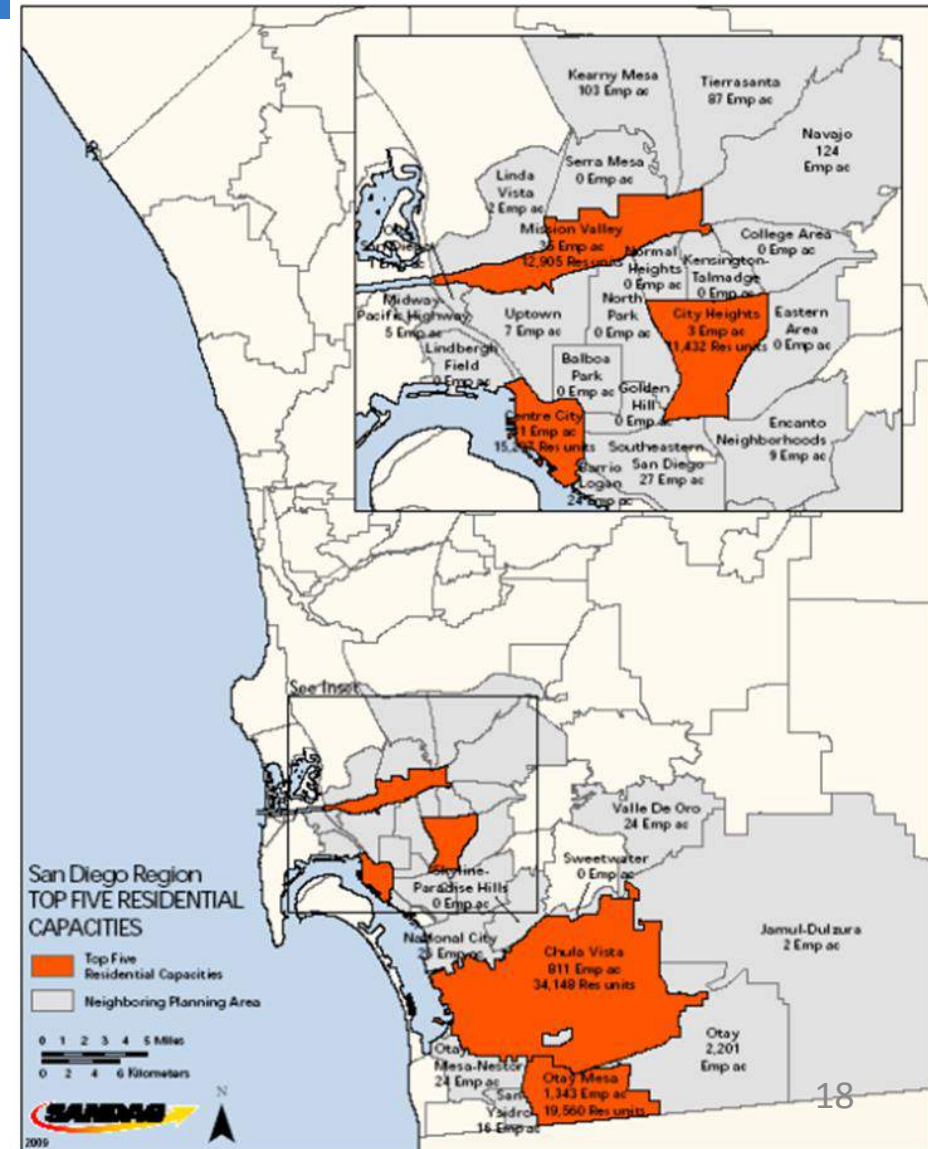
Reserves as of June 30 by fiscal year



Managing Through Build Out

Projected Build Out - 2030

- Est. population at build out approx. 335,000
- 30,000 residential building permits yet to be issued
- Additional population and new public facilities will require additional staffing
- Need to plan for additional service demands or may cause additional budgetary stress



Summary

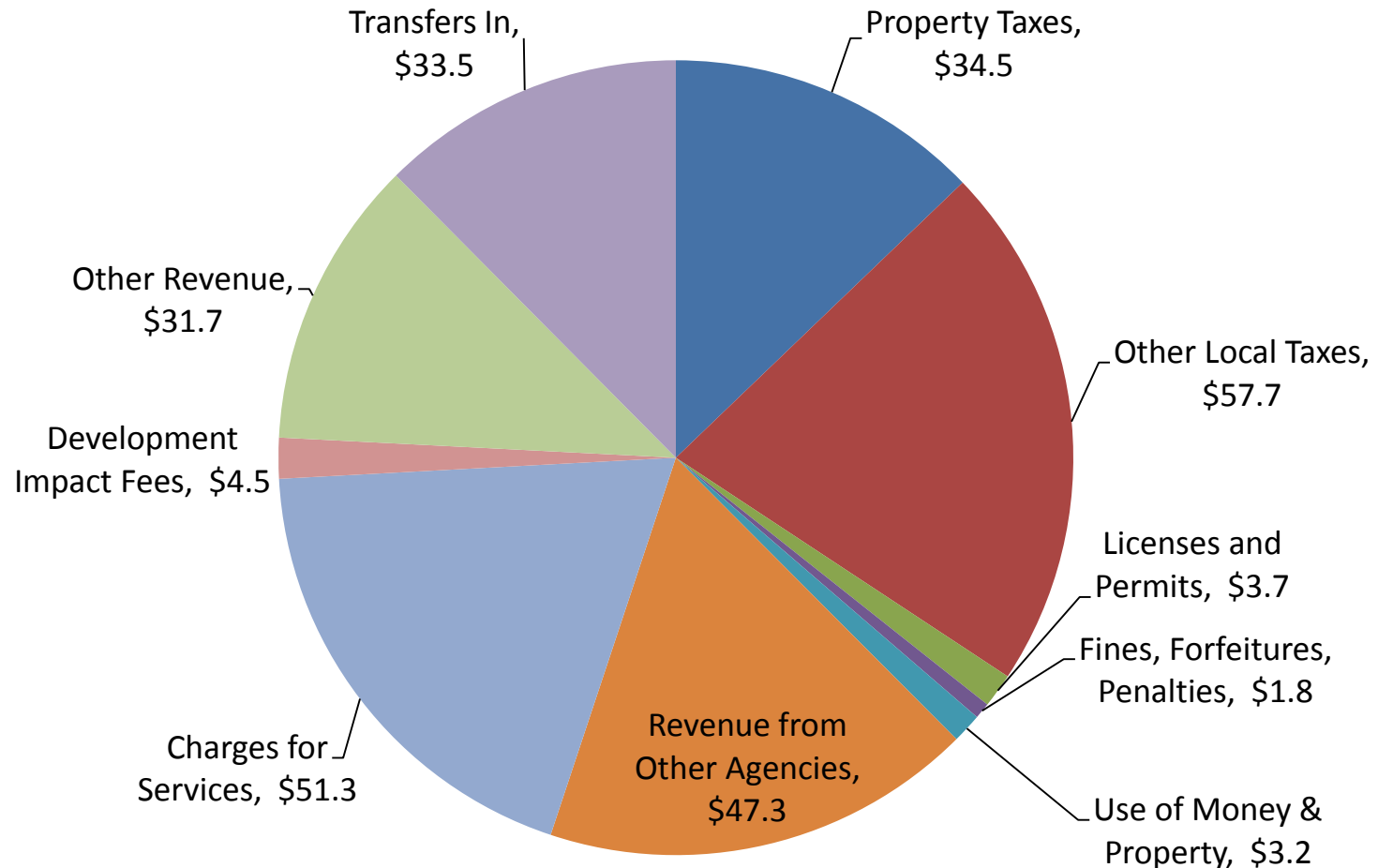
- Revenues are increasing modestly
- Baseline costs of existing personnel & services continue to outpace revenue growth
- City is now in a more stable financial position
- General Fund not a likely source for major infrastructure funding needs



All Funds Summary

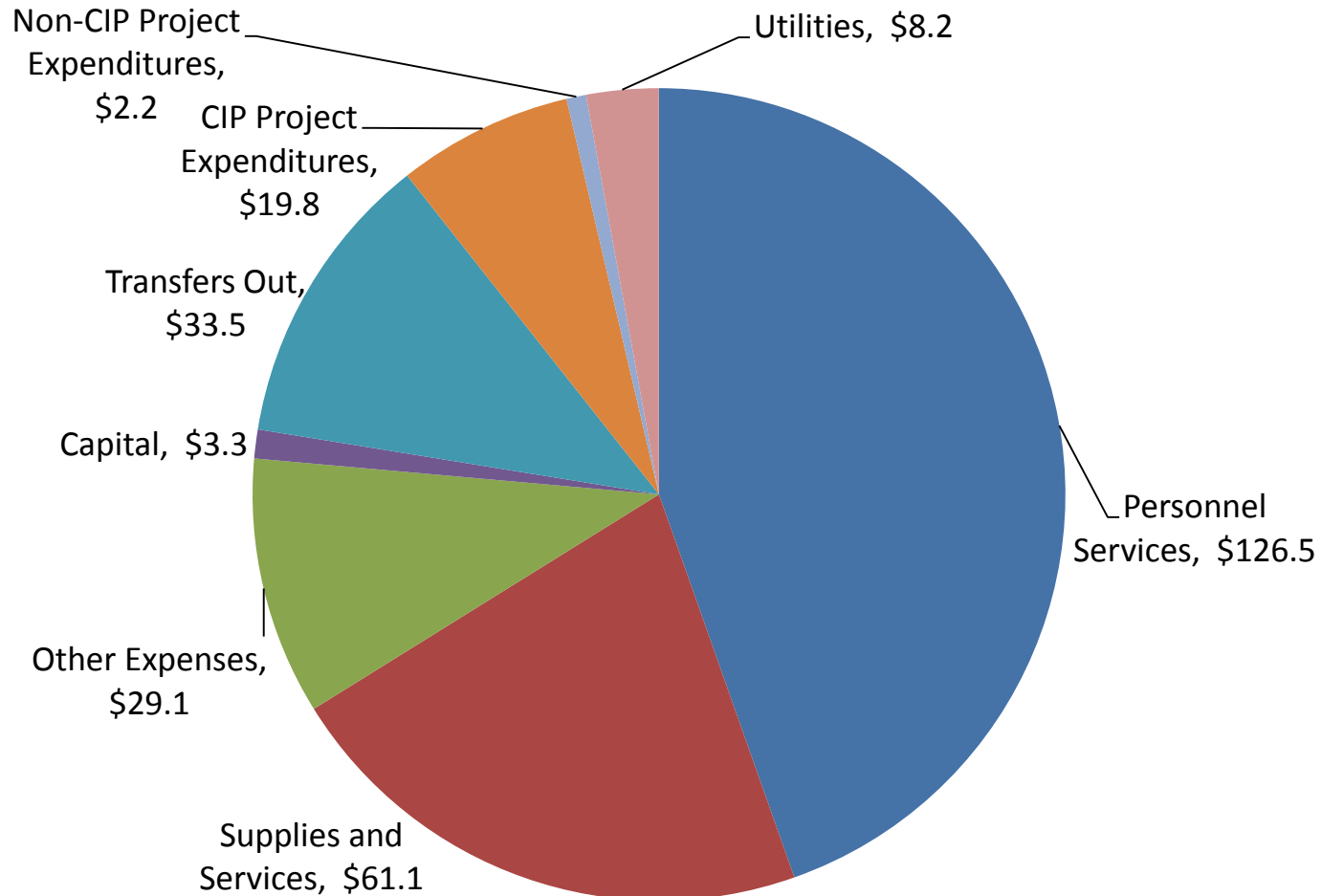
All Funds Summary - \$269.2M

FY 2014-15 All Funds Projected Revenue



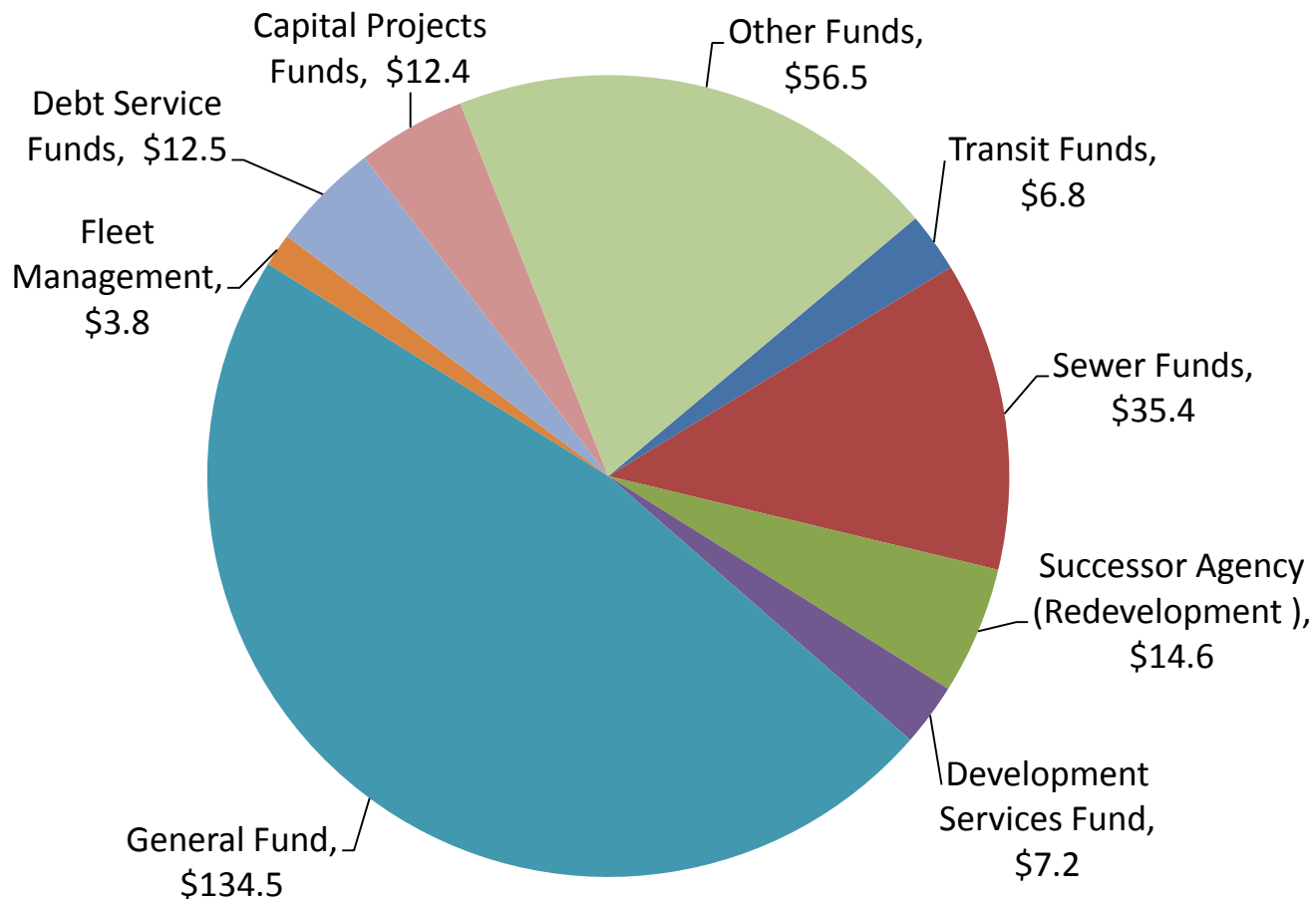
All Funds Summary - \$283.6M

FY 2014-15 All Funds Projected Expenditures by Category



All Funds Summary - \$283.6M

FY 2014-15 All Funds Projected Expenditures by Fund





Infrastructure Funding Summary

Chula Vista's Public Assets

- Over 460 centerline miles of paved streets
- Over 1,000 miles of sidewalks
- Over 500 miles of sewer pipes
- 249 miles of storm drains
- 268 traffic signals
- Over 9,000 street lights
- Over 27,000 street trees
- Over 500 acres of park land
- Over 2,000 acres of open space
- Over 4.2 million LF of curb & gutters
- Over 550 kW of Solar Photovoltaic systems
- Over 1 million SF of buildings
- Over 500 vehicles

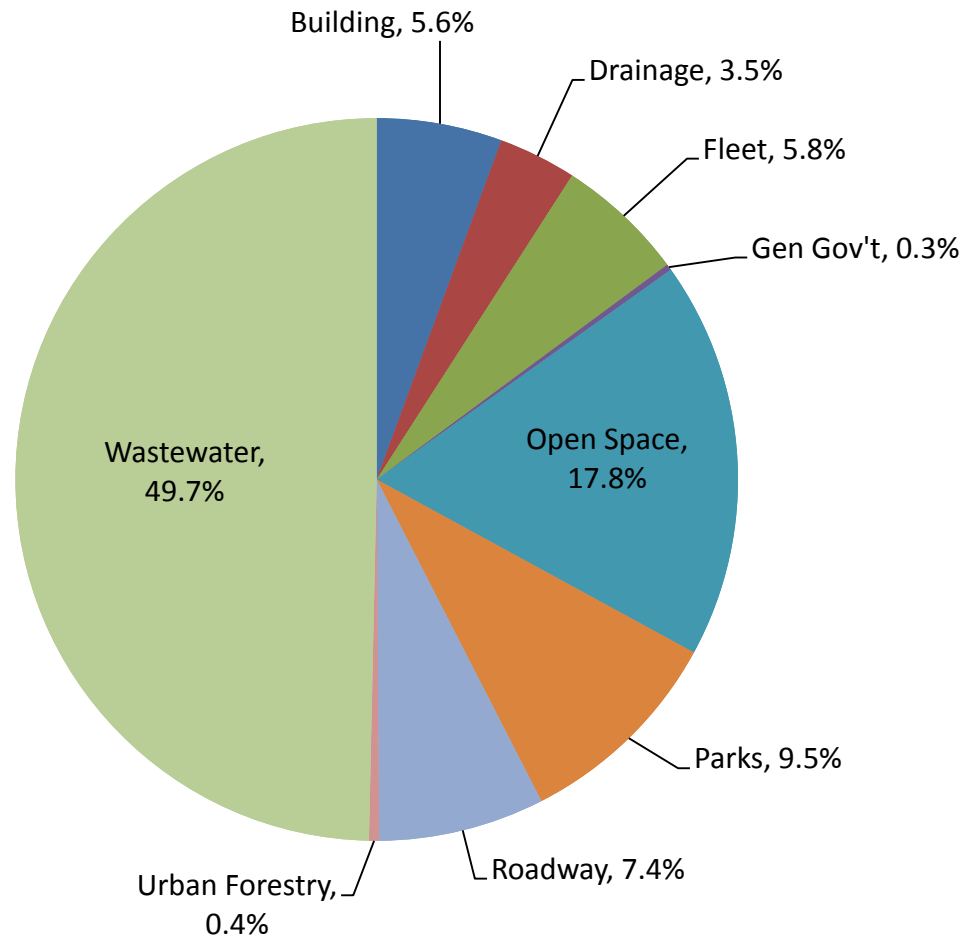


Public Works Budget by Asset Management System

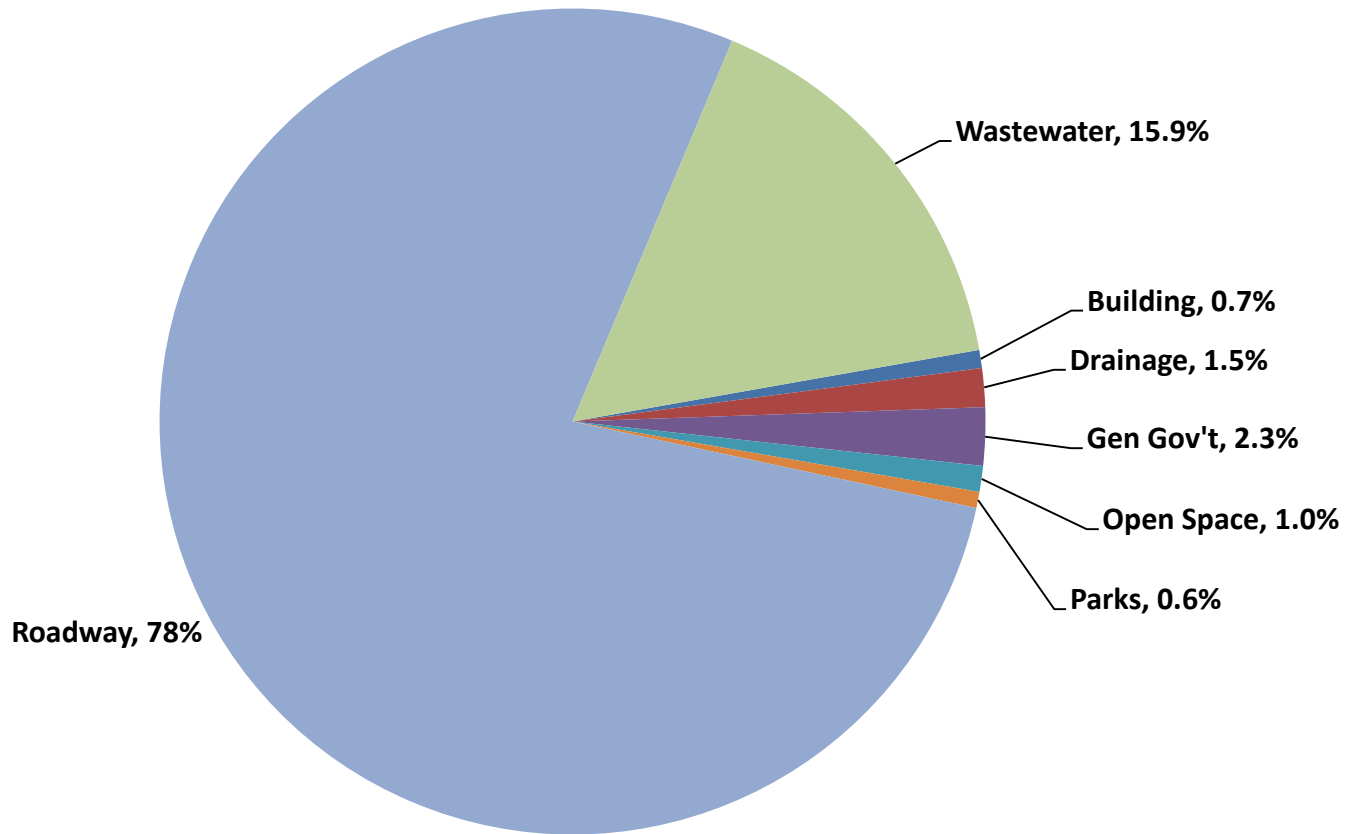
FY2015

Asset	Operating		CIP	Amount	
Building	\$	3,672,692	\$	140,219	\$ 3,812,911
Drainage	\$	2,282,704	\$	300,000	\$ 2,582,704
Fleet	\$	3,782,520	\$	-	\$ 3,782,520
General Gov't	\$	176,934	\$	450,000	\$ 626,934
Open Space	\$	11,662,234	\$	200,000	\$ 11,862,234
Parks	\$	6,231,294	\$	125,000	\$ 6,356,294
Roadway	\$	4,864,539	\$	15,437,445	\$ 20,301,984
Urban Forestry	\$	293,919	\$	-	\$ 293,919
Wastewater	\$	32,521,473	\$	3,150,000	\$ 35,671,473
Total	\$	65,488,309	\$	19,802,664	\$ 85,290,973

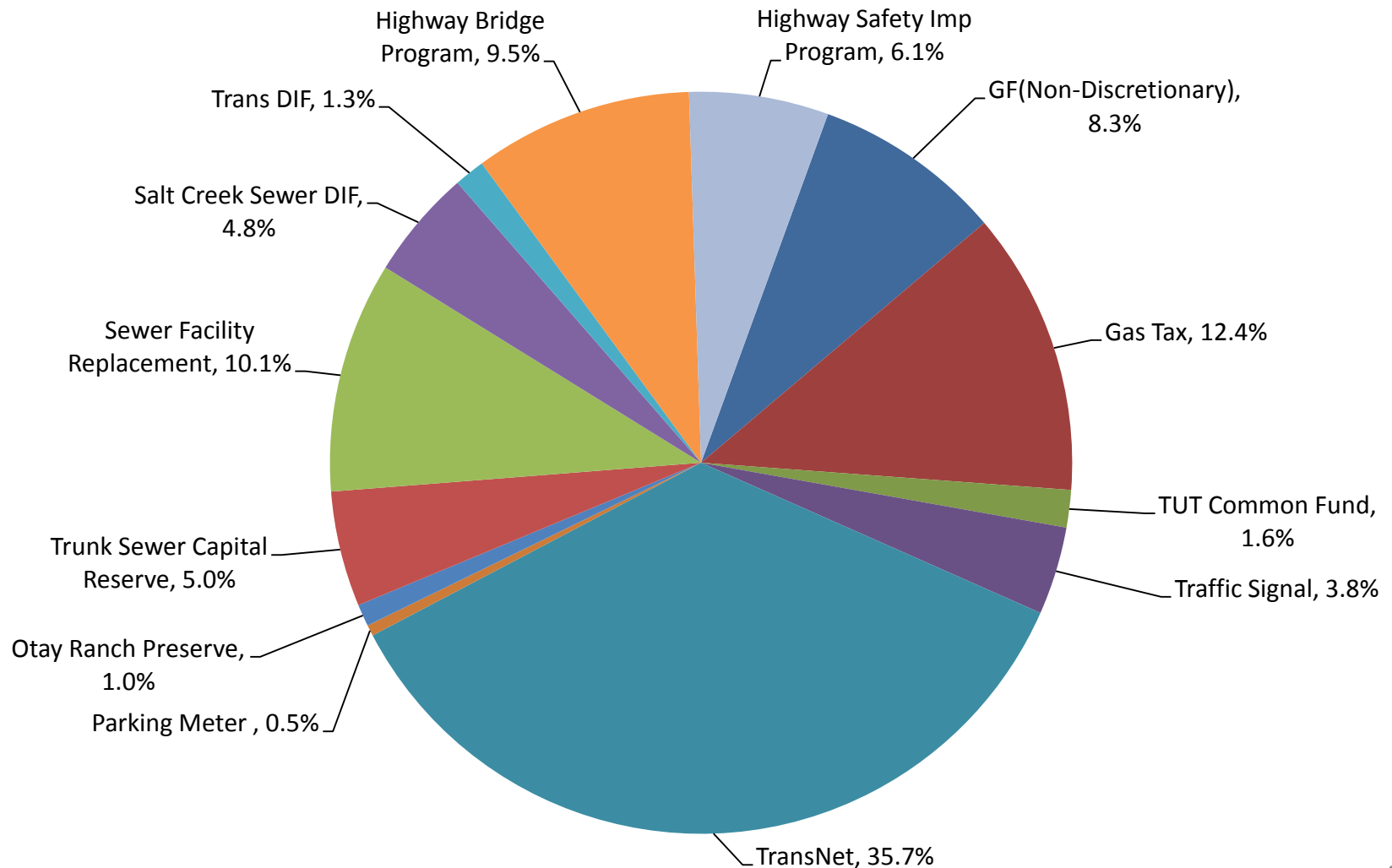
Operating Budget \$65.5 M by Asset Management System



Capital Improvement Program \$19.8 M by Asset Management System



Capital Improvement Program \$19.8 M by Funding Source



CIP Highlights

- Third Ave Streetscape Project, Phase 2
 - SANDAG: Smart Growth Incentive Program (\$1.3 M)
 - Bond Funds (\$1.3 M)



CIP Highlights

- Orange Park (Completion Summer '15)
- Prop 84 Statewide Park Funding (\$2.8 M)

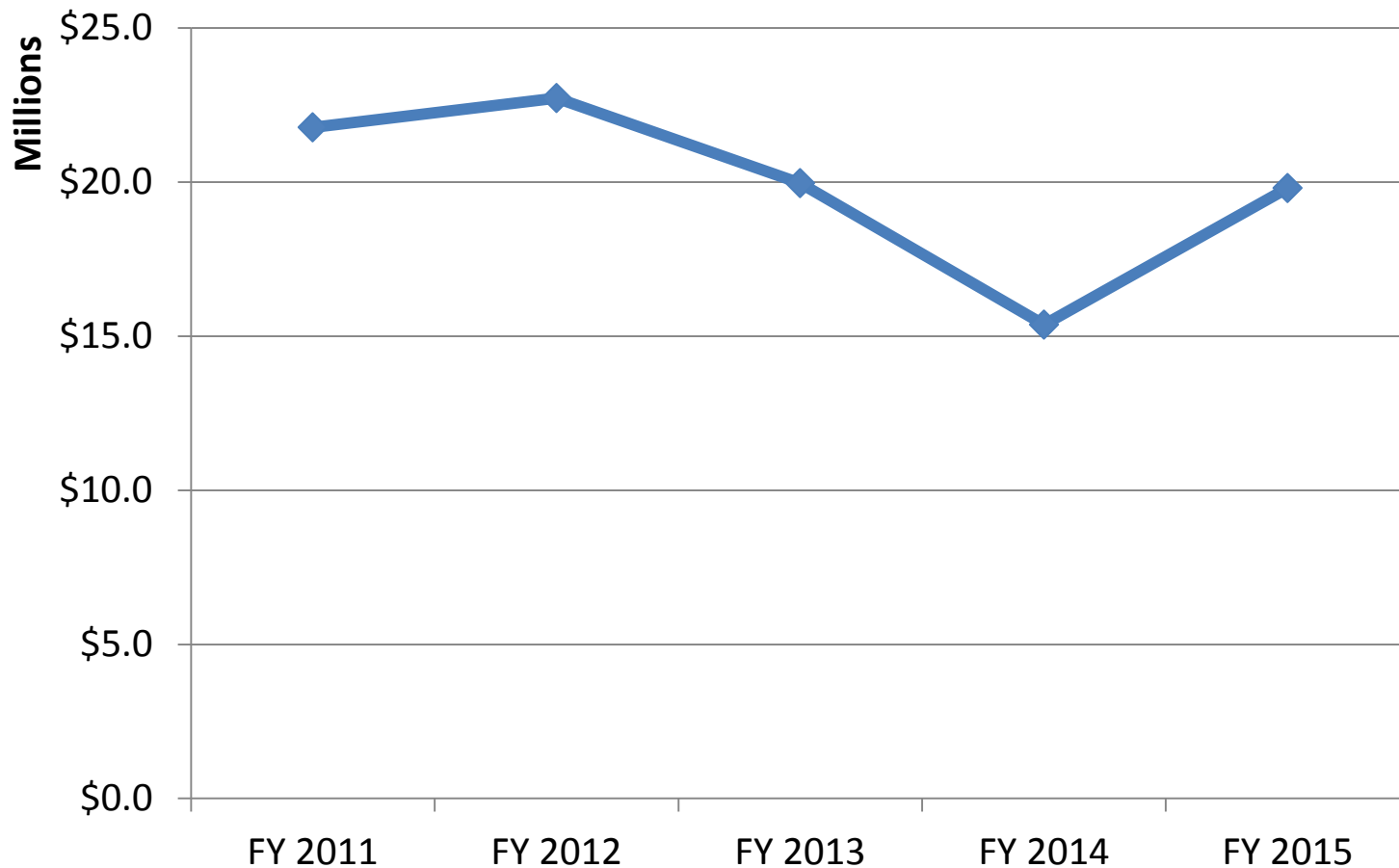


CIP Projects

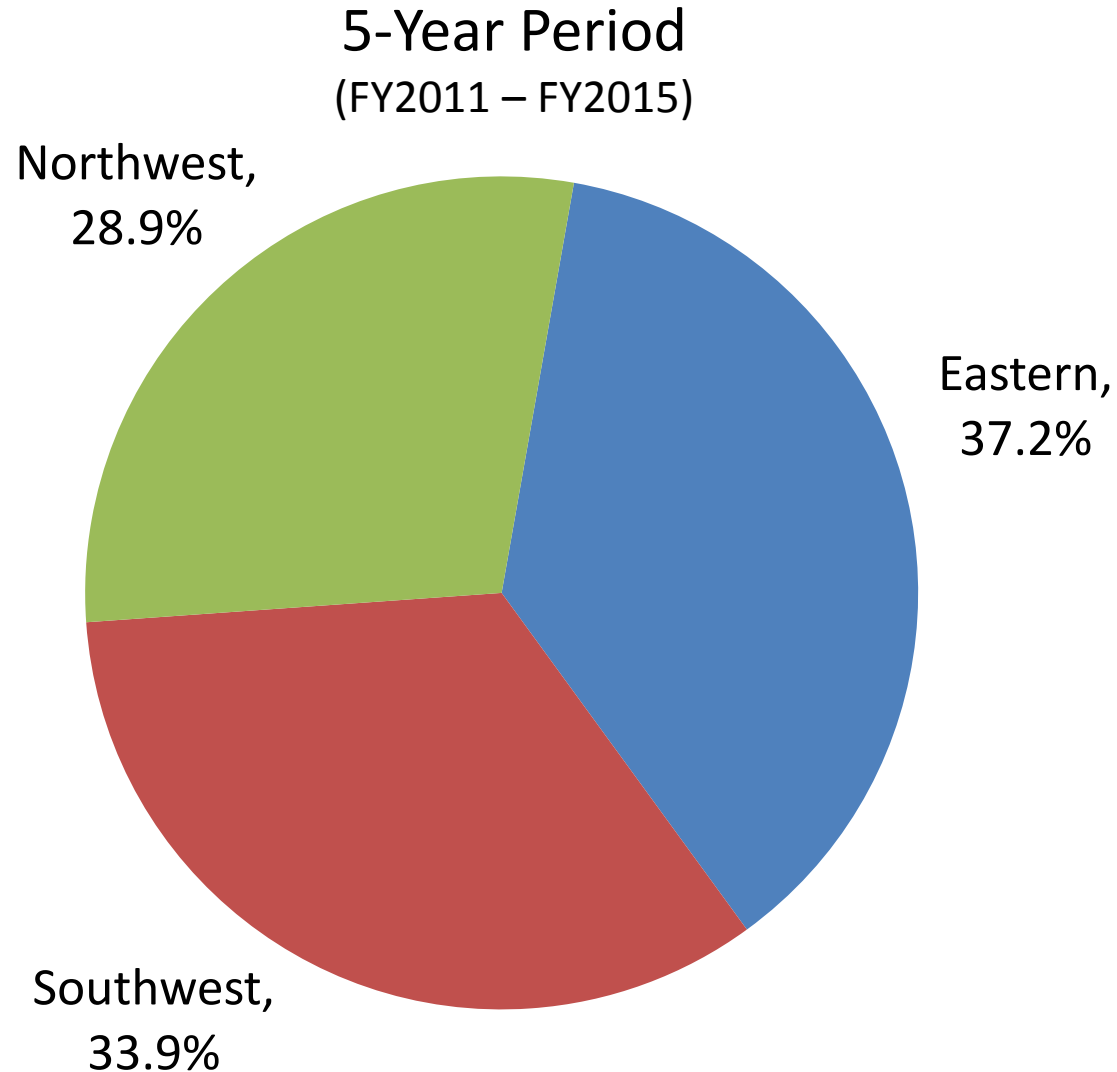


Capital Improvement Program

5-Year Period

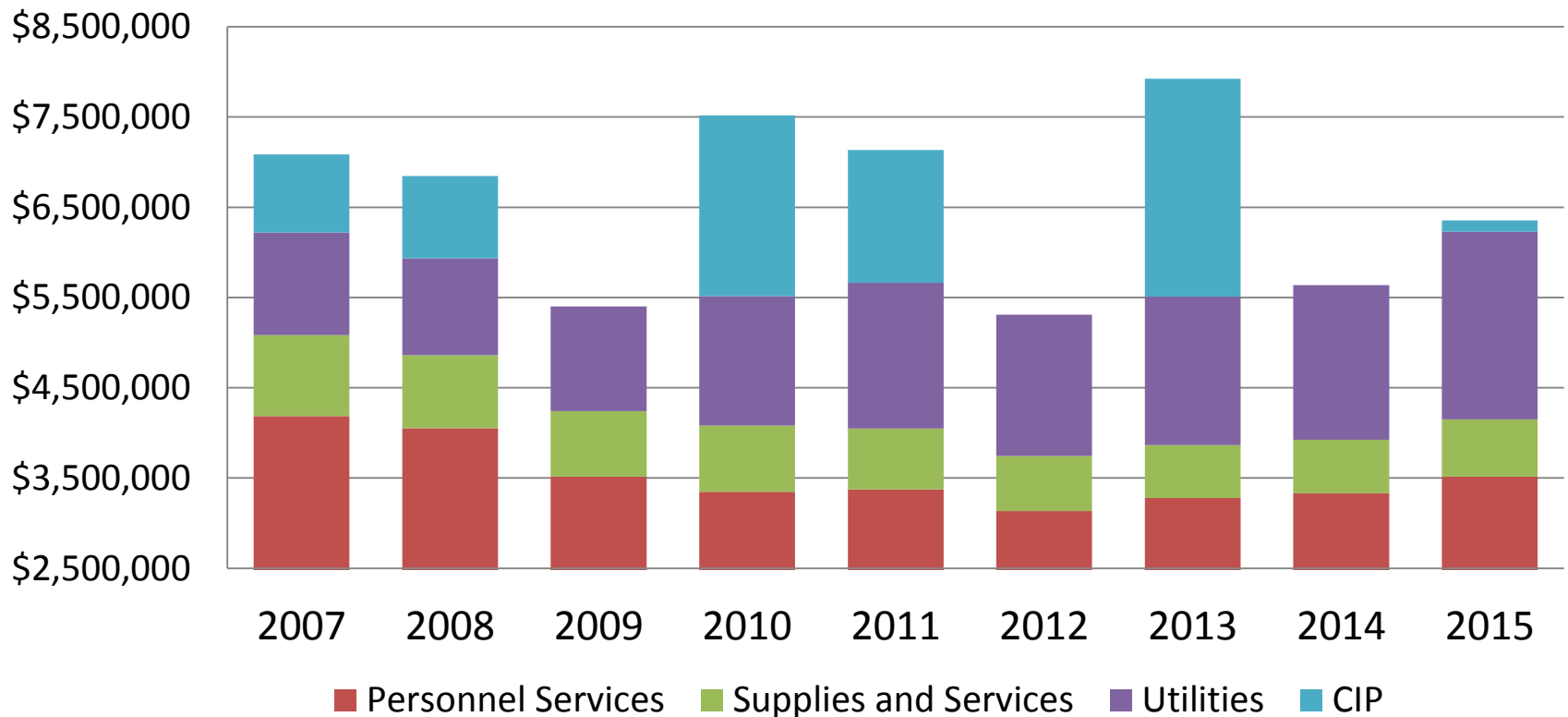


CIP Funding by Location




Park Management System

Budget by Fiscal Year



Infrastructure Funding-The Bad News

 Canada 2020

ABOUT NEWS & IDEAS EVENTS

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Crisis and Opportunity: Time for a National Infrastructure Plan for Canada


by John Brodbent, Jesse Darling and Sean Mullin. Posted October 1, 2014

1. Introduction

Infrastructure is central to every aspect of life in Canada. As a key driver of productivity and growth in a modern economy, as a contributor to the health and well-being of Canadian citizens, as a critical component of transporting goods and services across the country, it is a method for enabling communication and sharing of information between citizens, a means for providing core services such as water, electricity and energy and is a shaper of our communities and contribute to our collective social fabric.

And, yet, across the country, Canadians are impacted by infrastructure that has failed to be maintained or that remains to be built.

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A view of the Koscusko Bridge from Queens. (Todd Maize/NY Daily News Archive/Getty)

One in eight bridges in the United States have been categorized as **structurally deficient** and many more are reaching the end of their lives. Attorney and author **Barry LePatner** tells us what can be done about America's infrastructure problem. Where will the money come from in an era of tightening budgets and is there enough political will to prevent the country's infrastructure from falling farther behind? **Kristian Foden-Vencil** is a reporter for **OPB News**.

THE TAKEAWAY FEEL:

- The Takeaway
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- The Takeaway (Atom)
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- infrastructure
- national Fe
- politics Fee

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Brown vows to fix CA's crumbling roads

Details sparse about how to pay for huge cost

By **Chris Nichols** 6 A.M. JAN. 11, 2015

PRINT COMMENTS

- National /International challenge
- Historically underfunded
- Recession exacerbated existing issues

Infrastructure Funding-The Good News

Driving Continuous Improvement into government

City of Chula Vista's use of Lean tools makes it one of a very elite group of U.S. cities

When Chula Vista Mayor Cheryl Cox and a several city department heads a leadership saying they were interested in "going Lean" a few years ago, the arms... as well as a few raised eyebrows.

"We were naturally skeptical when the city told us they were serious about 90 to 95 percent of all companies who set out to deploy Lean falter and give government entity was declaring its Lean intent?" said ACE/Quality and Sup Martin Lodge. "But we did have some Lean Practitioner training scheduled we could do was invite a couple of people to participate in that training. Th

That led to more municipal employees sitting in on additional Lean training culminated in Aerostructures offering a special, condensed week of training e. Fast forward a couple of years and not only did the city build a critical mas principles, it created the position of Continuous Improvement Manager to f facet of city government. The city even began paying for employees to augr training by taking University of California San Diego extension courses in l



Cities get funds for transit plans

2 AM, MAY 21, 2009

PRINT COMMENTS



Nearly \$10 million in grants were awarded last week, aimed at creating smart growth across San Diego County.

The San Diego Association of Governments board gave money Friday to Chula Vista, Lemon Grove, San Diego and other cities for the development of specific high-density, transit-oriented projects.

SANDAG wants to encourage more housing and retail development near transit hubs. The money came from TransNet, a local half-cent sales tax.

- City success in competitive grants
- Continuous Improvement has increased efficiency
- Asset Management Program assists with data driven decision making and prioritization

Questions?

For more information on City finances please visit the City's website: www.chulavistaca.gov



What's Next?

- Technical Advisory Committee - Jan-Mar
- AMPAC will reconvene to discuss funding strategies – March 18th
- Annual Infrastructure Workshop - April 2nd

Thank you for your continued participation!